

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 8/11/2015	(3) CONTACT/PHONE Cindy Collins, ASM, 788-2932; Amy Olson, ASO II, 781-4729	
(4) SUBJECT Request to approve a three year renewal contract, FY 2015-16 through FY 2017-18, with Redwood Toxicology Laboratory in the cumulative amount not to exceed \$93,000 per year to provide diagnostic drug testing and reporting services. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a three year renewal contract, FY 2015-16 through FY 2017-18, with Redwood Toxicology Laboratory in the cumulative amount not to exceed \$93,000 per year to provide diagnostic drug testing and reporting services.			
(6) FUNDING SOURCE(S) DSS, SAMHSA, Drug Medi-Cal	(7) CURRENT YEAR FINANCIAL IMPACT \$93,000.00	(8) ANNUAL FINANCIAL IMPACT \$93,000.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001577		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>2/26/13 & 1/13/15</u> _____	
(17) ADMINISTRATIVE OFFICE REVIEW Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Anne Robin, L.M.F.T, Behavioral Health Administrator

DATE: 8/11/2015

SUBJECT: Request to approve a three year renewal contract, FY 2015-16 through FY 2017-18, with Redwood Toxicology Laboratory in the cumulative amount not to exceed \$93,000 per year to provide diagnostic drug testing and reporting services. All Districts.

RECOMMENDATION

It is recommended that the Board approve a three year renewal contract, FY 2015-16 through FY 2017-18, with Redwood Toxicology Laboratory in the cumulative amount not to exceed \$93,000 per year to provide diagnostic drug testing and reporting services.

DISCUSSION

Redwood is federally licensed through the Department of Health and Human Services and has been providing drug testing lab services to the County since 1997. The tests require specific protocols for processing and reporting the results and Redwood Toxicology Laboratory meets the Federal requirements for security of information transferred electronically.

The County's Behavioral Health Department uses drug testing as an objective measure of treatment efficacy and a tool to monitor patient progress. Testing is performed to detect substance abuse and monitor treatment compliance. Behavioral Health currently collects approximately 1,356 urine samples per month, with the potential to collect up to 1,600 per month, which are sent out for toxicology analysis.

Redwood provides various drug tests of Behavioral Health clients' samples including screening for one or more of the following: Alcohol, Opiates, Cocaine, Marijuana, Amphetamines (Meth), Benzodiazepines, Designer Drugs, Synthetic Cannabinoids, Buprenorphine, Carisoprodol (SOMA), a Comprehensive Panel and Pregnancy testing. Additionally, 10-drug Panel Dip and Buprenorphine Panel Dip test devices and 6-drug Panel Dip test and Breath Alcohol Oral Fluids test devices will be available for onsite use. Quantitative results are also provided for Creatinine and Marijuana residue levels. The contract provides for additional testing of other drugs of abuse, including alcohol metabolites for longer-term detection. The contract mandates that all specimen collection, transport, testing and reporting is consistent with the National Institute of Drug Abuse and the Substance Abuse and Mental Health Administration regulations and standards.

The Centers for Medicare and Medicaid Services (CMS) regulates all human laboratory testing in the U.S. through the Clinical Laboratory Improvement Amendments (CLIA). The objective of CLIA is to ensure quality laboratory testing and clinical laboratories must be CLIA certified to receive Medicare or Medicaid payments. The drug screening required by Behavioral Health is diagnostic and health-related in nature so a CLIA license is required. Redwood Toxicology Laboratory is CLIA certified and meets the federal and state standards and can bill Medi-Cal. As a note, the on-site lab at the Sheriff's Department is not CLIA certified and does not meet the requirements of our current Federal Substance Abuse and Mental Health Administration (SAMHSA) grant nor based on their licensure can they bill for Medi-Cal.

The contract includes language that Redwood Toxicology will bill Medi-Cal directly for all charges associated with Drug Medi-Cal eligible clients and accept payment from Medi-Cal for those clients. Redwood is currently back-billing Drug Medi-Cal for Drug Medi-Cal eligible tests dating back to April 2014 and reimbursing the County for previously paid Drug Medi-Cal eligible tests by crediting future invoices. The County will be responsible for non-eligible Medi-Cal clients as well as any types of test not covered by Medi-Cal.

Drug testing lab services last went through the RFP process during FY 2009-10. Three vendors submitted an RFP for the service and Redwood Toxicology was selected due to their performance record, breadth of services, industry reputation and qualifications, and cost of services. Due to the back-billing of services to Drug Medi-Cal by Redwood, on behalf of the County, it is in the best interest of the County to continue contracting with Redwood Toxicology until all reimbursements have been made, which could be a year or more. It is the intention of the department to RFP this service once all reimbursements have been made.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has approved the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

Currently, \$93,000 in funding is budgeted for specimen testing with the funding provided by the County Department of Social Services, client fees, Drug Medi-Cal, and the Federal Substance Abuse and Mental Health Administration (SAMHSA) per year. The Redwood contract spans three fiscal years, FYs 2015-16, 2016-17, and 2017-18. The total contract maximum amount is \$279,000, with an expenditure cap of \$93,000 each fiscal year of the contract. Approval of the contract will not affect the level of General Fund support required by the Behavioral Health Department for each year.

RESULTS

Approval of the contract renewal allows Behavioral Health to maintain pace with new and emerging drugs/substances of abuse and accurately test for their use by program participants. Rigorous and accurate drug testing is a best practice in providing effective addiction recovery treatment.

Below is a table indicating the tests provided by Behavioral Health:

Year	Total Tests	Unique Individuals	Monthly Average
2013	13,070	1,345	1,089
2014	16,394	1,535	1,366
2015 (through December)	6,734	827	1,122

All tests processed and reported met with the contract terms and reporting measurements.

By providing drug testing, Redwood Toxicology Laboratory is contributing toward the assessment of the health of Behavioral Health clients by supporting the final diagnosis and prevention or treatment of disease or impairment through the results of each test. Providing the most appropriate services to the clients increases the probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1. Redwood Toxicology Contract FY 2015-18